

**ECONOMIC DEVELOPMENT FINANCIAL INCENTIVE GRANT AGREEMENT  
BETWEEN MARION COUNTY GOVERNMENT AND CITRAPAC, INC – A FLORIDA  
CORPORATION SEEKING TO CREATE NEW TO MARION COUNTY JOBS**

This Agreement, made and entered into 10<sup>th</sup> day of January, 2012, by and between Marion County, a political subdivision of the State of Florida, (hereinafter referred to as the "COUNTY") and CitraPac, Inc., a Florida Corporation, located at 29606 Highway 27 South, Dundee, Polk County, Florida, 33838, possessing FEIN# 59-3590885 (hereinafter referred to as the "COMPANY") for the support of new to Marion County job creation, and the COUNTY and the COMPANY hereby agreeing as follows:

WHEREAS, CITRAPAC, INC. is a manufacturer and distributor of a specialized frozen citrus food product and is qualified as a targeted industry beneficial to Marion County and the State of Florida, and

WHEREAS, CITRAPAC, INC. is considering a food manufacturing operation in Marion County, Florida and proposes to employ up to 425 new to Florida full-time manufacturing jobs within sixty (60) months of occupancy of an existing Marion County manufacturing and distribution facility, and

WHEREAS, CITRAPAC, INC. and the COMPANY'S national partner will provide an average annual wage for its workers in excess of \$32,000 which exceeds Marion County's average annual wage of \$31,630 and will invest up to \$32-million in capital funding for the acquisition of equipment, machinery, facility renovations and lease of a vacant manufacturing facility, and add to the overall tax base of Marion County, and

WHEREAS, CITRAPAC, INC. and the COMPANY'S national partner has identified suitable manufacturing and distribution facilities in Marion County, Florida and in the State of California, and

WHEREAS, CITRAPAC, INC. has found that the operational value of the existing industrial refrigeration and freezer system within the proposed Marion County facility is no longer functional and requires a complete physical replacement of the entire system in order to render the available 130,000 square feet of manufacturing and storage space suitable for frozen food manufacturing, and

NOW THEREFORE, in consideration of the matters set forth above (which are incorporated herein by reference), and in consideration of the mutual covenants and promises contained herein, the COUNTY and the COMPANY (the "PARTIES") hereto agree as follows:

**Section 1 – Eligibility.** This body hereby acknowledges CITRAPAC, INC. as a qualified target industry business pursuant to Section 288.106, Florida Statutes and that the COMPANY is a viable manufacturer and distributor of a specialized frozen food retail product(s). Further, COUNTY recognizes the following:

1. That the COMPANY is in partnership negotiations with a national brand name company and is currently restricted by a non-disclosure agreement pending final execution of a manufacturing and funding agreement that is the basis for the proposed \$32-million capital investment being proposed by the COMPANY.
2. That the unidentified national brand name partner will have representative interests in the final site selection process for selecting the location of the COMPANY'S future manufacturing and distribution facility.

3. That any formal action for implementing the terms and conditions of this Agreement on behalf of the COMPANY by the COUNTY shall not be implemented until proper due diligence and a full disclosure is made by the COMPANY'S national partner.

**Section 2 –Scope of Services and Funding.** COMPANY proposes to occupy 130,000 square feet of refrigeration and frozen food manufacturing space in the former Associated Grocers of Florida, Inc. facility located at 6045 SE 83<sup>rd</sup> Street, Ocala, Florida. This facility has a total square footage of approximately 700,000 square feet of which more than 600,000 square feet are currently vacant. The 130,000 square feet of refrigeration and freezer space was constructed more than 30 years ago. The coolant system is antiquated and has not been fully-operational for many years. The system is no longer functional and requires full replacement at an estimated cost of \$1.3 million in order to provide vital space for conducting frozen food manufacturing and distribution activities.

Associated Growers of Florida, Inc. (OWNER), the owner of the facility, has no plan to invest any sum of capital in the replacement of the refrigeration or freezer system. However, OWNER has offered to lease this space at a lower than market lease rate as compared to fully-functional refrigeration and freezer space currently leasing elsewhere at a higher competitive rate. This offer by OWNER creates an estimated recruitment incentive value to COMPANY on behalf of the community in excess of \$2.6 million over the term of the initial ten (10) year lease.

While this offer by OWNER increases the competitive nature for the Florida location, a fully operational refrigeration and freezer system is required in order to create any value or usefulness for the Marion County facility.

The primary purpose of this Agreement is for COUNTY to financially support a portion of the total replacement or repair cost of the refrigeration and freezer system in order to create a competitive value for final selection by COMPANY of the Marion County facility for the creation of new manufacturing jobs. The COUNTY proposes to create public purpose and expend public funds to improve the refrigeration and freezer infrastructure by providing a grant to COMPANY consistent with the provisions of Florida Statute 125.045(2)(3). The use of COUNTY funding shall be subject to the following conditions:

- a) That a grant of \$500,000 be awarded to COMPANY for the sole purpose of replacing or repairing the refrigeration and freezer infrastructure contained within the facility to be leased by the COMPANY.
- b) That the grant to the COMPANY be provided as a reimbursement following the replacement or repair of the refrigeration and freezer infrastructure, inspection of the work performed and verification of all related invoicing associated with the infrastructure replacement or repair.
- c) That the reimbursement by the COUNTY shall be made as a single payment on a dollar for dollar basis in an amount that shall not exceed \$500,000.
- d) That the COUNTY'S capital investment in the refrigeration and freezer infrastructure may be used as a matching grant by COMPANY for potential funding from the State of Florida or other non-state sources.
- e) That the COMPANY shall provide a copy of the lease agreement showing a minimum of a ten (10) year lease Agreement with OWNER.
- f) That the COMPANY shall provide copies of all related invoices and proof of payment related to the replacement or repair of the refrigeration and freezer infrastructure to verify overall costs.

- g) That the COMPANY shall provide access to COUNTY and/or its representatives for inspection of the proposed work performed in order to verify the replacement or repair of the refrigeration and freezer infrastructure and to demonstrate the full functionality of the system.
- h) That the COMPANY shall demonstrate actions being taken to begin the hiring process for the initial ramp up of employment required by the first phase of the COMPANY'S employment plan.
- i) That the COMPANY shall demonstrate that steps have been taken to acquire and secure required production line equipment and machinery and have begun the process for the installation and placement of this equipment and machinery at OWNER'S facility.
- j) That the COMPANY fully disclose in writing the name and contact information related to the COMPANY'S national brand name partner.
- k) That once all conditions outlined in Section 2 of this Agreement have been accomplished by the COMPANY and verified by COUNTY, COMPANY shall submit an invoice on company's letterhead for full payment of grant. The grant shall be paid to Company within 20 or less business days from receipt of a verifiable invoice by COMPANY.

**Section 3 – Laws, Permits, and Regulations.** Prior to the performance of any work hereunder, the COMPANY shall obtain and pay for all licenses and permits, as required to perform the services described in Section 2 of this Agreement. COMPANY shall at all times comply with all appropriate laws, regulations, and ordinances applicable to the services provided under this Agreement.

**Section 4 – Assignment of Contract.** The COMPANY may not subcontract all or any part of this Agreement without prior written approval by the COUNTY.

**Section 5 – Amendments.** This Agreement may only be amended by mutual written agreement of both Parties.

**Section 6 – Books and Records.** The COMPANY shall keep records of all financial transactions related to replacement or repair of the refrigeration and freezer infrastructure system. The COUNTY shall have a right to review and audit such records associated with the implementation of this grant at the COMPANY'S office during normal business hours. One or more audit(s) of this Agreement by COUNTY or its representative may occur during the duration of this Agreement and up to six months following the termination date.

**Section 7 – Indemnification.** The COMPANY shall indemnify and hold harmless the COUNTY, its officers, employees and agents from all suits, claims, or actions of every name and description brought against the COUNTY based on personal injury, bodily injury (including death) or property damages received or claimed to be received or sustained by any person or persons arising from or in connection with any negligent act or omission of the COMPANY or its employees, officers, or agents in performing the services set forth herein.

**Section 8 – Insurance.** During the term of this Agreement, insurance policies shall be with a company or companies authorized to do business in the State of Florida. The County shall be notified if any policy limit has eroded to one half its annual aggregate. The COMPANY shall provide a Certificate of Insurance, issued by a company authorized to do business in the State of Florida and with an A.M. Best Company rating of at least B+. All policies must show the "Marion County Board of County Commissioners" as an Additional Insured except for the workers compensation and professional liability policies. The COUNTY Procurement Services Director shall be shown as the Certificate Holder, and the Certificate should provide for 30 day cancellation notice to that address with policies for the following:

**Worker's Compensation** shall be purchased and maintained by the COMPANY with statutory limits and employers liability limits of at least \$1,000,000 each accident and \$1,000,000 each employee and \$1,000,000 policy limit for disease.

**General Liability** with limits of not less than \$1,000,000 per occurrence and \$2,000,000.00 annual aggregate. The policy must be maintained by the COMPANY for the duration of the project. If the policy is written on a claims-made basis, the COMPANY must maintain the policy for a minimum of 5 years following the completion of the project. The County of Marion must be shown as an additional insured.

**Section 9 – Notices.** Except as otherwise provided herein, all notices and other communications provided for hereunder shall be in writing and sent by certified mail return receipt requested, or by hand deliver, and shall be deemed effective if mailed, when deposited in a United States Postal Service mailbox with postage prepaid or if hand delivered, when personally handed to the Party to whom the notice or other communication is addressed, with signed proof of delivery. The COUNTY'S and the COMPANY'S representatives for notice purposes are:

COMPANY: CitraPac, Inc.  
29606 Highway 27 South, Dundee, FL 33838  
CONTACT PERSON: Gregg Harshman, President  
PHONE: 863-439-2226  
E-MAIL: [administration@citrapac.com](mailto:administration@citrapac.com)

COUNTY: Marion County Office of Economic and Small Business Development  
2710 E Silver Springs Blvd, Ocala, FL 34470  
CONTACT PERSON: Richard Michael, Manager  
PHONE: 352-438-2602  
EMAIL: [richard.michael@marioncountyfl.com](mailto:richard.michael@marioncountyfl.com)

**Section 10 – Independent COMPANY.** In the performance of this Agreement, the COMPANY will be acting in an "independent capacity" and not as an agent, employee, partner, joint venture, or associate of the COUNTY. The COMPANY shall be solely responsible for the means, methods, techniques, sequences, and procedures utilized by the COMPANY in the full performance of this Agreement.

**Section 11 – Default/Termination.** In the event the COMPANY fails to comply with any of the provisions of this Agreement, the COUNTY may terminate this Agreement for cause by first notifying the COMPANY in writing, specifying the nature of the default and providing the COMPANY with a reasonable period of time in which to rectify such default. In the event the default is not cured within the time period given, the COUNTY thereafter may terminate this Agreement upon written notice to the COMPANY without prejudice to the COUNTY in terms of any right or for cause.

**Section 12 – Timely Performance.** All work will commence upon authorization from the County's representative. All work will proceed in a timely manner without delays. COUNTY funding shall not be used for the reimbursement of product(s) or service(s) rendered prior to the date of this Agreement or dated prior to the 10<sup>th</sup> day of January, 2012.



**Section 13 – Damage to Property.** The COMPANY shall be responsible for all material, equipment and supplies used in the execution of the Scope of Services outlined under this Agreement. In the event any such equipment or supplies are lost, stolen, damaged or destroyed prior to the final inspection and audit of this Agreement, the COMPANY shall replace the same without additional cost to the COUNTY.

**Section 14 – Termination for Loss of Funding/Cancellation for Non-appropriated Funds.** The obligation of the COUNTY for payment to the COMPANY is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to further approval by the COUNTY and appropriation of funds authorized by Board of County Commissioners.

**IN WITNESS WHEREOF,** the parties have executed this Agreement by their duly authorized officers on the 10<sup>th</sup> day of January, 2012.

**COUNTY:**

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**CHARLIE STONE, CHAIRMAN  
BOARD OF COUNTY COMMISSIONERS**


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**ATTEST: MARION COUNTY, FLORIDA  
DAVID R. ELLSPERMANN, CLERK OF THE COURT**


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**APPROVED AS TO FORM AND LEGAL SUFFICIENCY  
MATTHEW G. MINTER, COUNTY ATTORNEY**

**CITRAPAC, INC:**

 1-3-2012  
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**GREGORY S. HARSHMAN, PRESIDENT**

**WITNESSES:**

  
\_\_\_\_\_  
FRANKIE PLATT  
\_\_\_\_\_  
**Type or Print Name**

  
\_\_\_\_\_  
Angelica Huerta  
\_\_\_\_\_  
**Type or Print Name**